North Dakota
FARM REPORTER

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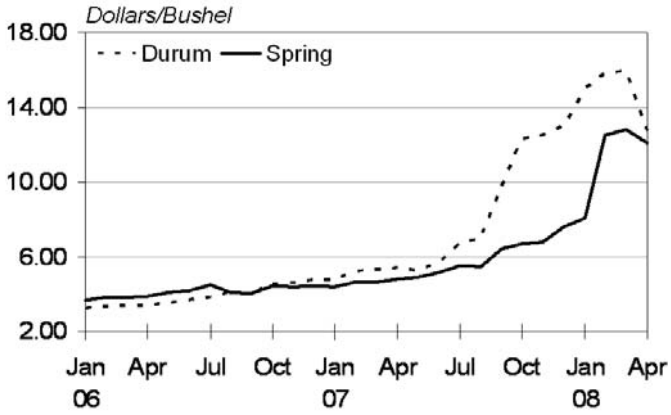
AGRICULTURAL PRICES

North Dakota
The Index of Prices Received for All Farm Products in April is 212 percent of the 1990-1992 base. This is up 64 percent from last year and 94 percent above two years ago. The All Crops Index, at 249 percent of the base, is up 87 percent from April 2007 while the All Livestock and Products Index, at 110 percent, is down 7 percent from last year. April indexes are calculated using preliminary mid-month prices.

Durum & Spring Wheat: Prices Received
North Dakota, January 2006-April 2008



Prices Received by Farmers
North Dakota and United States, April 2008

Item	Unit	North Dakota			United States			Effective U.S. Parity Price
		Entire Month		Preliminary	Entire Month		Preliminary	
		Apr 2007	Mar 2008	Apr 2008	Apr 2007	Mar 2008	Apr 2008	Apr 2008
		Dollars	*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*
Wheat, All	*Bu*	4.86	13.00	12.10	4.89	10.60	10.10	12.90
Durum	*Bu*	5.42	15.90	12.70	5.46	15.40	12.60	NA
Spring	*Bu*	4.80	12.80	12.10	4.87	11.00	10.90	NA
Winter	*Bu*	4.40	13.30	9.90	4.87	10.00	9.26	NA
Corn	*Bu*	2.91	4.57	4.90	3.39	4.70	5.13	8.15
Oats	*Bu*	2.43	3.13	3.50	2.46	3.44	3.59	5.29
Barley, All	*Bu*	2.91	4.18	4.59	3.07	4.17	4.53	8.89
Feed	*Bu*	3.00	3.62	4.10	3.20	4.22	4.28	NA
Malting	*Bu*	2.89	4.41	4.80	3.02	4.16	4.62	NA
Sunflower, All	*Cwt*	15.70	25.70	24.80	15.90	26.20	25.70	40.60
Oil	*Cwt*	14.90	26.40	NA	NA	NA	NA	NA
Non-oil	*Cwt*	17.60	22.60	NA	NA	NA	NA	NA
Baled Hay, All [1]	*Ton*	65.00	65.00	67.00	124.00	139.00	152.00	NA
Alfalfa [1]	*Ton*	70.00	70.00	70.00	127.00	143.00	157.00	NA
Other [1]	*Ton*	49.00	48.00	50.00	115.00	128.00	140.00	NA
Canola	*Cwt*	13.20	26.50	27.00	NA	26.40	27.00	37.00
Flaxseed	*Bu*	6.72	17.70	16.40	6.72	17.60	16.40	21.80
Soybeans	*Bu*	6.57	11.70	12.10	6.88	11.50	11.80	20.10
Dry Edible Beans, All	*Cwt*	22.90	30.00	29.60	24.50	32.40	34.10	65.50
Navy	*Cwt*	20.80	[2]	NA	NA	NA	NA	NA
Pinto	*Cwt*	23.00	29.60	NA	NA	NA	NA	NA
Potatoes, All	*Cwt*	7.90	7.60	7.70	8.71	8.37	8.75	20.00
Fresh [3]	*Cwt*	7.15	10.50	NA	13.03	11.42	NA	NA
Processing	*Cwt*	7.70	6.60	NA	6.56	6.15	NA	NA
Beef Cattle	*Cwt*	88.90	88.80	82.30	93.70	87.70	85.10	247.00
Steers & Heifers	*Cwt*	102.00	95.00	93.00	99.80	92.70	90.10	NA
Cows	*Cwt*	49.50	51.00	50.00	49.20	51.20	49.90	NA
Calves	*Cwt*	120.00	115.00	107.00	125.00	119.00	115.00	358.00
Sheep	*Cwt*	28.00	28.00	NA	34.20	28.30	NA	113.00
Lambs	*Cwt*	97.00	95.00	NA	97.10	98.00	NA	280.00
Hogs	*Cwt*	48.80	42.20	NA	47.30	40.20	40.60	135.00

[1] Alfalfa, other and all hay are preliminary prices only. [2] Price not published to avoid disclosure of individual firms. [3] Fresh market prices only, includes table stock.
NA=Not applicable.

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AGRICULTURAL PRICES (Continued)

United States

The April All Farm Products Index is 144 percent of its 1990-92 base, down 1 percent from the March index but 8 percent above the April 2007 index. The All Crops Index is 167, unchanged from March but 18 percent above April 2007. The Livestock and Products Index, at 125, is 3 percent below last month and down 2 percent from April 2007.

Index Numbers of Farm Prices
North Dakota and United States, April 2008

Indexes and Ratios	North Dakota			United States		
	Apr 2007	Mar 2008	Apr 2008	Apr 2007	Mar 2008	Apr 2008
Prices Received	*(1990-92 = 100)*					
All Farm Products	129	224	212	133	146	144
Crops	133	261	249	142	167	167
Food Grains	154	416	384	159	309	302
Feed Grains & Hay	131	195	199	151	201	219
Oil Bearing Crops [1]	125	226	229	124	207	212
Potatoes & Dry Beans [2]	118	119	116	147	147	154
Livestock and Products	118	114	110	127	129	125
Meat Animals	120	114	110	122	112	110
Dairy Products	110	109	110	127	139	138
Other Livestock Products [3]	112	113	112	137	159	146
Prices Paid	NA	NA	NA	160	178	181
Ratio [4]	NA	NA	NA	83	82	80

[1] Includes non-oil sunflower. [2] North Dakota includes sugarbeets. [3] United States excludes wool. [4] Ratio of Index of Prices Received to Index of Prices Paid. NA=Not applicable.

UPCOMING NASS SURVEYS

Mid-year USDA Agricultural Survey data collection starts May 27 and runs through July 10. The specific survey titles are the **June Quarterly Crops/Stocks Survey**, **June Quarterly Hog Survey**, **June Area Frame Survey** (annually), **July Cattle Survey** and **July Sheep and Goat Survey**. These surveys are used in estimating the planted and harvested acreage for principle crops, the amount of stored grain, livestock inventories and more. Without the data from these surveys, policymakers, farm organizations and others who make critical decisions that affect farmers/ranchers would make those decisions based on opinion rather than fact…and that's dangerous.

The **Small Grains Variety Survey** collects information on barley and wheat (durum, spring and winter) varieties grown in North Dakota. The North Dakota Wheat Commission, NDSU Extension Service, NDSU Experiment Station and the American Malting Barley Association provide supporting funds for this survey. The survey period is May 30 - June 30. This provides a snapshot of the different barley and wheat varieties grown in North Dakota, and the first district level planted acreage estimates for these crops.

The following is a schedule of upcoming NASS reports for May-July. Most of these reports will be published in upcoming Farm Reporters. For more immediate information, call our office at 701-239-5306 or 1-800-626-3134 after the release time or go online to: **http://www.nass.usda.gov/nd/**.

These are the following release dates:

	May	CST
Crop Production……	9	7:30 am
Potato Stocks……	15	2:00 pm
Agricultural Prices……	30	2:00 pm

	June	CST
Crop Production……	10	7:30 am
Potato Stocks……	13	2:00 pm
Agricultural Prices……	27	2:00 pm
U.S. Hog and Pigs Report……..	27	2:00 pm
Acreage Report……	30	7:30 am
Grain Stocks Report……	30	7:30 am

	July	CST
Crop Production……	11	7:30 am
Barley Varieties Release……	11	2:00 pm
Wheat Varieties Release……	18	2:00 pm
Milk Production……	18	2:00 pm
U.S. Cattle Report……	25	2:00 pm
U.S. Sheep Report……	25	2:00 pm
Agricultural Prices……	31	2:00 pm

Technology, Larger Farm Size Increased Productivity on U.S. Hog Farms

Today's hog sector bears little resemblance to the one that existed 15 years ago. There are fewer hog farms, and the average number of hogs per farm has increased substantially. Most production occurs under contracts with processors. Under those arrangements, processors supply feed, feeder pigs, and veterinary services to growers who receive a fee for providing the capital, utilities, and labor used to grow the hogs to market weight. Production contracts encourage individual producers to specialize in a single phase of production rather than combining all phases on one hog farm, as in the traditional farrow-to-finish approach. The past 15 years have also seen substantial geographical movement of production into States outside of the Corn Belt, especially North Carolina, Oklahoma, and Utah.

The structural transformation of the hog sector has been driven in part by technological advances in livestock genetics, nutrition, housing and handling equipment, veterinary and medical services, and management. These changes have contributed to large increases in hog-farm productivity, which have exerted downward pressure on hog and pork prices. As the industry has changed, hog producers have adjusted the size, organizational structure, and technological base of their operations to remain competitive. Recent ERS research combines information from surveys of hog producers at three points in time to document how the hog sector changed between 1992 and 2004 and to measure the level and sources of the hog-farm productivity gains.

- U.S. hog production has shifted rapidly to fewer and larger operations that specialize in a single phase of production and use production contracts.
- Substantial productivity gains for hog farms, particularly specialized hog-finishing operations, have resulted in reduced costs of production and contributed to lower prices for hogs at the farmgate.
- Technological innovation and increasing farm size each explain about half the gains in hog farm productivity between 1992 and 2004.

Industry Scale and Specialization Increasing

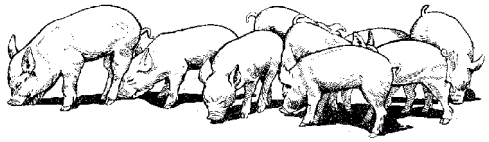
Although the number of farms with hogs dropped over 70 percent from more than 240,000 in 1992 to fewer than 70,000 in 2004, the U.S. hog inventory remained stable at about 60 million head. Thus, hog production consolidated considerably during this period as fewer and larger farms accounted for an increasing share of total output. Although this is not unusual for U.S. livestock production, consolidation in hog production was among the most rapid of all livestock types.

The average size of U.S. hog operations grew from 945 head in 1992 to 4,646 head in 2004. The share of the hog inventory on operations with 2,000 or more head increased from less than 30 percent to nearly 80 percent, with operations having 5,000 or more head accounting for more than 50 percent of the hog inventory by 2004.

Traditionally, individual hog farms, known as farrow-to-finish operations, managed all phases of hog production from breeding to slaughter. Today, farrow-to-finish operations have given way to large operations that specialize in one of the three major life-cycle phases of production: farrow-to-wean, wean-to-feeder pig, or feeder pig-to-finish. In 1992, 65 percent of hogs came from farrow-to-finish operations, while only 22 percent came from specialized hog-finishing operations. By 2004, only 18 percent came from farrow-to-finish operations, while 77 percent came from specialized hog finishers.

Changes in scale and specialization have been made possible, in part, by substantial growth in the use of production contracts. Hog operations with production contracts grew from 5 percent of operations in 1992 to 67 percent in 2004. Production contracts govern the relationship between hog growers and owners ("integrators" or "contractors"), specifying the inputs provided by each party and their compensation. Because contractors typically provide feeder pigs and feed to growers and handle the marketing, such an arrangement facilitates growers' specialization in one phase of production.

The increasing use of production contracts has also promoted farmers' specialization in the hog enterprise. Because contractors supply feed from off-farm sources to their growers, individual growers can use their time and financial resources to increase the scale of hog operations rather than expand crop acreage to produce feed. Between 1992 and 2004, hog production as a share of the total production value on hog farms increased from 46 to 71 percent. At the same time, hog farms grew a smaller share of their hog feed: the share of grain produced on their farms for hog feed fell from about half to below 20 percent.



Source: *Amber Waves*, USDA-ERS, April 2008

ANNUAL DAIRY PRODUCTION

United States
Total cheese production during 2007, excluding cottage cheeses, was 9.70 billion pounds, 2 percent above 2006 production. Wisconsin was the leading State with 25 percent of the production.

Italian varieties, with 4.13 billion pounds were 4 percent above 2006 production and accounted for 43 percent of total cheese in 2007. Mozzarella accounted for 80 percent of the Italian production followed by Provolone with 8 percent and Ricotta with 6 percent. California was the leading State in Italian cheese production with 31 percent of the production.

American type cheese production during 2007 was 3.88 billion pounds, 1 percent below 2006 and accounted for 40 percent of total cheese in 2007. California was the leading State in American type cheese production with 21 percent of the production.

Butter production in the United States during 2007 totaled 1.53 billion pounds, 6 percent above 2006. California accounted for 33 percent of the production, followed by Wisconsin with 24 percent.

Dry milk powders: (2007 production, comparisons with 2006)
- Nonfat dry milk, human: 1.30 billion pounds, up 4 percent.
- Skim milk powders: 202 million pounds, down 25 percent.

Whey products: (2007 production, comparisons with 2006)
- Dry whey, total: 1.13 billion pounds, up 2 percent.
- Lactose, human and animal: 756 million pounds, up 2 percent.
- Whey protein concentrate, total: 394 million pounds, down 8 percent.

Frozen products: (2007 production, comparisons with 2006)
- Ice cream, Regular (total): 951 million gallons, down 3 percent.
- Ice cream, Lowfat (total): 383 million gallons, up 2 percent.
- Sherbet (total): 62.7 million gallons, up 6 percent.
- Frozen Yogurt (total): 60.7 million gallons, down 8 percent.

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